THE FARM INDEX

ECONOMIC RESEARCH SERVICE • U.S. DEPARTMENT OF AGRICULTURE

JULY 1963

FEEDLOTS BEEF FOR AMERICA

ECONOMIC TRENDS

Item	Unit or base period	'57-'59 Average	1962		1963		
			Year	May	March	April	May
Prices:							
Prices received by farmers	1910-14=100	242	243	241	240	242	240
Crops	1910-14=100	223	231	239	237	244	246
Livestock and products	1910-14=100	258	254	243	242	240	235
Prices paid, interest, taxes and wage rates	1910-14=100	292	306	307	310	311	311
Family living items	1910-14=100	286	294	296	297	297	297
Production items	1910-14=100	262	269	269	274	273	273
Parity ratio		83	80	79	77	78	77
Wholesale prices, all commodities	1957-59=100	.....	100.6	100.2	99.9	99.7	100.1
Commodities other than farm and food	1957-59=100	.....	100.8	100.9	100.6	100.4	100.5
Farm products	1957-59=100	.....	97.7	96.2	95.4	95.4	94.4
Food, processed	1957-59=100	.....	101.2	99.6	99.0	99.3	101.5
Consumer price index, all items	1957-59=100	.....	105.4	105.2	106.2	106.2	.....
Food	1957-59=100	.....	103.6	103.2	104.6	104.3	.....
Farm Food Market Basket:[1]							
Retail cost	Dollars	1,037	1,067	1,063	1,079	1,071	.....
Farm value	Dollars	410	410	398	391	391	.....
Farm-retail spread	Dollars	627	657	665	688	680	.....
Farmers' share of retail cost	Per cent	40	38	37	36	36	.....
Farm Income:							
Volume of farm marketings	1947-49=100	123	137	110	107	105	110
Cash receipts from farm marketings	Million dollars	32,247	35,749	2,342	2,287	2,261	2,300
Crops	Million dollars	13,766	15,900	667	727	674	700
Livestock and products	Million dollars	18,481	19,849	1,675	1,560	1,587	1,600
Realized gross income [2]	Billion dollars	.....	40.6	.....	40.8	.....	.....
Farm production expenses [2]	Billion dollars	.....	27.7	.....	28.1	.....	.....
Realized net income [2]	Billion dollars	.....	12.9	.....	12.7	.....	.....
Agricultural Trade:							
Agricultural exports	Million dollars	4,105	5,031	473	505	500[3]	.....
Agricultural imports	Million dollars	3,977	3,876	336	353	348[3]	.....
Land Values:							
Average value per acre	1957-59=100	.....	.....	118[4]	123	.....	.....
Total value of farm real estate	Billion dollars	.....	.....	139.9[4]	146.2	.....	.....
Gross National Product[2]	Billion dollars	456.7	553.9	.....	571.8	.....	.....
Consumption [2]	Billion dollars	297.3	356.7	.....	367.8	.....	.....
Investment [2]	Billion dollars	65.1	76.6	.....	76.8	.....	.....
Government expenditures [2]	Billion dollars	92.4	117.3	.....	124.0	.....	.....
Net exports [2]	Billion dollars	1.8	3.3	.....	3.2	.....	.....
Income and Spending:							
Personal income	Billion dollars	.....	440.5	439.7	453.2	456.2	458.2
Disposable income [2]	Billion dollars	321.3	382.9	.....	392.6	.....	.....
Total retail sales, seasonally adjusted	Million dollars	.....	19,613	19,508	20,365	20,355	20,365
Retail sales of food group, seasonally adjusted	Million dollars	.....	4,801	4,801	4,807	4,881	.....
Employment and Wages:							
Total civilian employment, seasonally adjusted	Millions	.....	67.8	67.8	68.6	68.9	68.7
Agricultural, seasonally adjusted	Millions	.....	5.2	5.3	5.0	5.0	5.0
Rate of unemployment, seasonally adjusted	Per cent	.....	5.6	5.5	5.6	5.7	5.9
Workweek in manufacturing, seasonally adjusted	Hours	.....	40.4	40.6	40.4	40.3	40.5
Hourly earnings in manufacturing	Dollars	.....	2.39	2.39	2.44	2.45	2.45
Industrial Production, seasonally adjusted	1957-59=100	.....	118	118	121	123	124
Manufacturers' Sales and Inventories:							
Total sales, seasonally adjusted monthly rate	Million dollars	.....	33,260	33,500	34,330	34,860	.....
Total inventories	Million dollars	.....	57,210	56,810	57,910	58,210	.....
Total new orders	Million dollars	.....	33,050	33,070	35,060	35,910	.....

[1] Average annual quantities of farm food products based on purchases per wage-earner or clerical-worker family in 1952—estimated monthly. [2] Annual rates seasonally adjusted first quarter. [3] Preliminary. [4] As of March 1.

Sources: U.S. Department of Agriculture (Farm Income Situation, Marketing and Transportation Situation, Agricultural Prices, Foreign Agricultural Economics and Farm Real Estate Market Developments); U.S. Department of Commerce (Industry Survey, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Department of Labor (The Labor Force and Wholesale Price Index).

THE AGRICULTURAL OUTLOOK

First-half review: Prices received by farmers for farm products averaged close to a year earlier in first half of 1963 . . . decreases in prices received for livestock and products were nearly offset by increases in crop prices.

Farm marketings of crops and livestock were above a year earlier, leading to moderate rise in cash receipts from all products. Increased cattle marketings, although accompanied by lower prices, contributed substantially to rise in cash receipts. Increased cotton, tobacco and potato marketings also helped. Cash receipts totaled below a year earlier for milk, hogs and truck crops.

Economic activity continued expanding into June. April-May retail sales, seasonally adjusted, were about the same as the March record. Automobile sales remained strong into June. May sales of most retail lines continued above May 1962.

According to a Bureau of Census survey in April, consumers expect to purchase about the same number of autos and houses in the next 12 months as they had planned a year earlier.

Construction spending picked up somewhat in May from the relatively sluggish January-April rate. Both residential and public construction activity appeared to be regaining the vigor shown in the last half of 1962.

The Federal Reserve index of industrial production rose to a record 123.8 in May from 122.5 in April, the fifth consecutive monthly rise. April levels were maintained or improved in almost all industries. In early June, steel production began a decline from the abnormally high rates of the last few months. New orders received by manufacturers rose for the fourth straight month in April. Order backlogs on May 1 exceeded $49 billion, the largest in over a year.

May employment declined on a seasonally adjusted basis, leading to an unemployment rate of 5.9 per cent . . . was 5.7 per cent of labor force in April. As in recent months, unemployment was concentrated in the 14-24 age group.

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COMMODITY HIGHLIGHTS

Hog prices rose sharply in May from March and April lows . . . a modest additional increase may occur through midsummer as market supplies remain seasonally low. **Fed cattle** prices showed signs of recovery in late June . . . are expected to increase during the third quarter. **Sheep and lamb** prices, however, probably have passed the seasonal peak and are expected to decrease through the third quarter.

Milk production in May stayed below a year earlier for the sixth consecutive month. Production was 1.1 per cent lower than in 1962 but the total for 1963 may be close to the 125.9 billion pounds of last year. **Butter** production in the first five months of 1963 was down 9 per cent. **American cheese** output was only slightly below a year earlier. In May, producer prices for all wholesale milk were about the same as 1962 levels.

Egg production declined seasonally in April and May but equaled last year after staying 1 to 3 per cent below 1962 during January-March. Prices to producers averaged 29.5 cents per dozen in mid-May, 32.4 cents in April . . . were 29 cents

in May 1962. Egg production and prices for the next few months are likely to be about the same as a year earlier.

This year's **turkey** crop will be a little larger than in 1962. However, turkeys next Thanksgiving and Christmas may number about the same as in 1962 because of a smaller carryover of frozen birds.

Federally inspected slaughter of young **chickens** in the five weeks ended June 5 was down 1 per cent from the same period in 1962. Expanded hatchery activity indicates broiler production this summer will be greater than a year earlier. Prices to producers for commercial broilers averaged 14.8 cents per pound in May—0.5 cent higher than in May 1962.

Total disappearance of **feed grains** in 1962-63, is expected to be around last year's level of 154 million tons—meaning a 61 million ton carryover into 1963-64, 11 million less than into 1962-63. Total corn use in 1962-63, including exports, may equal the record high of 4 billion bushels in 1961-62. If so, about 1,300 million bushels would be carried into 1963-64—340 million less than the previous year.

Feed grain prices rose 12 per cent from November 1962 to May 1963, reflecting generally good demand from livestock producers and tightening of "free" supplies of corn and sorghum grain. May prices received by farmers were 2.5 per cent higher than the year before. Decreasing supplies and continuing good demand this summer are expected to hold corn prices above last year.

Wheat exports hit an alltime high in April and May. Total exports of 630 million bushels are anticipated during 1962-63, 88 million below a year earlier. Carryover on July 1, 1963, was estimated at 1,165 million bushels, 140 million below the same date in 1962. The 1963 crop was estimated in June at 1,084 million bushels, somewhat smaller than the disappearance anticipated for 1963-64.

Production of food **fats** increased 4 per cent during October-March 1962-63 over a year earlier . . . gain was mostly in soybean oil and lard, offsetting a decline in butter. Domestic disappearance during the period was a record 4.7 billion pounds, slightly above a year ago. Population growth and increased per capita consumption accounted for the rise. Use of shortening and salad and cooking oils increased the most, while butter, margarine and lard remained about the same.

Exports of food fats (including oil equivalent of soybeans) during October-March totaled 2.2 billion pounds, 7 per cent above a year earlier. Exports of fats and oils and soybeans should continue strong through September.

Carryover of edible vegetable oils next October 1 probably will be around 1.2 billion pounds, about the same as last year. Decreased soybean oil stocks and increased supplies of cottonseed oil are expected.

Largest carryover of all kinds of **cotton** since 1957 is expected on August 1 . . . may total about 11.1 million bales. This would be 3.3 million bales more than last August 1. The estimated sharp increase in carryover reflects the large 1962 crop of 14,864,180 running bales and a substantial decline in disappearance.

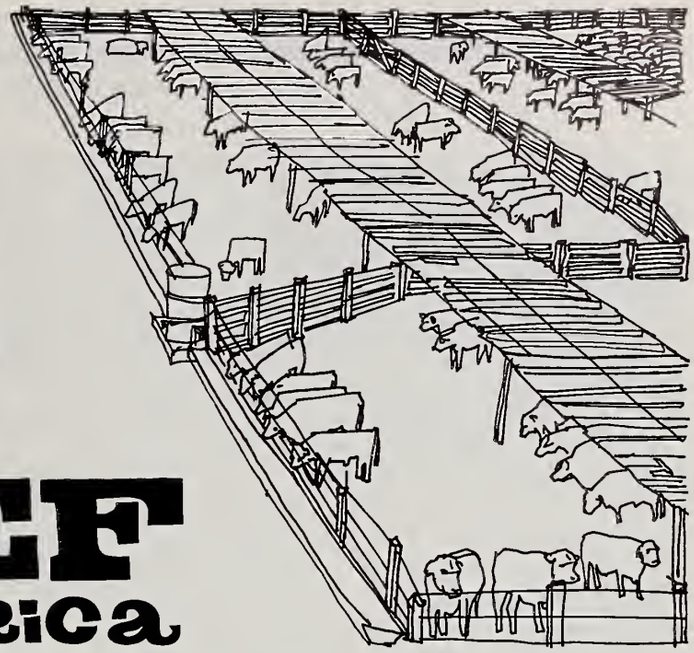
Domestic mill consumption of about 8.3 million bales is expected in 1962-63, 700,000 bales less than in 1961-62. Cotton exports in the current season are not expected to exceed 3.5 million bales . . . were 4.9 million bales in 1961-62. Value of lint cotton from 1962 crop was $2,361 million, up slightly from $2,356 million the previous year.

The share of **wool** used in woolen and worsted materials declined in the first half of 1963 from 1962 levels. The shift was to specialty hair fibers, more man-made fibers and reused, reprocessed and other wool fibers as well as an increase in use of the medium grades of wool. Such trends are expected to continue through 1963.

This year's crop of flue-cured and burley **tobaccos** is expected to be smaller than in 1962. Total 1963-64 supply, however, is likely to exceed 1962-63 because of the anticipated larger carryover.

Record highs are expected for cigarette output and consumption in 1963, with modest increases likely over the previous high last year. Cigar consumption should increase somewhat while use of smoking tobacco remains near 1962 and consumption of snuff and chewing tobacco decreases.

The deciduous **fruit** crop this year is expected to be somewhat smaller than the 1962 crop and below average, according to early-season estimates. Prospective production of most kinds of fruit is down from 1962 . . . principal exceptions are apricots and California plums. California grape production, especially that of the Thompson seedless variety, may be larger than last year.



FEEDLOTS: BEEF FOR AMERICA

The cowboys in the old West hated fences but when cattle producers got to using them around feedlots, the number of cattle multiplied tremendously.

Actually, the consumer probably caused it all. His taste for beef kept up with the contents of his wallet and he has been spending more and more of his meat dollars for beef. Within the last two and a half decades, beef consumed in the U.S. has gone from about 55 to 88 pounds per person annually. And a growing share of this beef comes out of feedlots.

In the past 30 years, the number of fed cattle marketed has increased fourfold. The percentage of fed cattle produced to all cattle produced went from 30 per cent in 1930 to 61 per cent in 1962.

Beef production is an attractive enterprise for farmers. Beef herds can use the roughages that are otherwise often wasted on the farm. From a labor standpoint, cattle production requires a minimum of effort compared to other livestock or crop enterprises and often the operation can be mechanized. Beef production works well for the part-time farmer who can start off with a relatively small outlay for animals and equipment.

Add to these advantages the fact that feed prices generally have been favorable compared with prices of fed cattle in recent years and the emphasis on conservation and improved farm practices has increased the acreage and quality of forages grown.

As the result of all the encouraging factors, the cattle industry has changed rapidly within the last three decades. Most noteworthy are the shifts in production areas both of fed cattle and feeder cattle.

Although the Corn Belt still ranks No. 1 in production of fed cattle, these states have been dropping in their share of total output. Of the 7.9 million head of cattle reported on feed in 26 states this January 1, 67 per cent were in the Corn Belt. In the early 1930s, the region accounted for 83 per cent of all cattle on feed.

Competition has come largely from the West. Over five times as many cattle were on feed in western states on January 1 this year as were reported 30 years ago. Washington has 16 times the number of cattle on feed reported in the early 1930s. Ranchers in California have made a 12-fold increase and the number of fed cattle in Arizona has gone up eight times in the past 30 years. Turnover of cattle in western feedlots is greater than in the Corn Belt because the rate of gain is faster and the animals are sold at a slightly lower grade.

Although the South claims an insignificant share of fed cattle output at present, the indications are that southern farmers intend to give this enterprise more of a try. In the Mississippi Delta, the Tennessee Valley and the Appalachian region, as well as in the Atlantic Coast states, improved transportation and favorable prices for midwestern grain encourage fattening of local cattle.

The demand for fed cattle has in turn sparked an increase in the production of feeders. Production of feeder calves generally has been moving east and south. The 12 southeastern states currently have more beef cows than the 11 western states. Farmers in the Corn Belt have more than doubled the number of beef cows in the area since 1949.

When the calves are sold, producers in the South Central and Southern Plains states generally ship westward to feedlots in Arizona and California. Ranchers in the northern Rockies and the Northern Plains send their calves to feedlots in the Corn Belt and Central Plains.

States such as Texas, Oklahoma, New Mexico, Colorado and Kansas produce both feeders, many of which are shipped to other states, and fed cattle. *(1)*

FED BEEF WENT THATAWAY

(1962 Estimates)

Area or state	Production	Consumption	Surplus or deficit production
		Million pounds	
North Atlantic	85	2,287	—2,202
South Atlantic	230	874	—644
South Central, except Oklahoma and Texas	178	570	—392
East North Central:	1,303	2,184	—881
Ohio	177	596	—419
Indiana	178	278	—100
Illinois	724	597	+127
Michigan	121	471	—350
Wisconsin	103	242	—139
West North Central and Great Plains:	4,664	1,328	+3,336
Minnesota	363	205	+158
Iowa	1,625	164	+1,461
Missouri	268	255	+13
North Dakota	104	37	+67
South Dakota	276	42	+234
Nebraska	1,118	87	+1,031
Kansas	333	129	+204
Oklahoma	114	80	+34
Texas	463	329	+134
West:	2,621	1,840	+781
Montana	61	44	+17
Wyoming	44	23	+21
Colorado	504	119	+385
New Mexico	79	63	+16
Idaho	136	44	+92
Utah	68	62	+6
Arizona	348	95	+253
Washington	158	187	—29
Oregon	91	119	—28
Nevada	19	21	—2
California	1,113	1,063	+50

BEEF OFTEN TRAVELS FAR FROM FEEDLOTS TO CONSUMERS

In 1962 an estimated 9.1 billion pounds of beef came to market by way of the feedlot. This was 61 per cent of national commercial beef production.

More often than not fed beef ends up miles away—even states away—from the feedlot where the cattle were finished.

An area of 28 states takes 65 per cent of the fed beef but produces only 20 per cent. This area includes the 26 states east of the Mississippi plus Arkansas and Louisiana. Illinois was the only state in this group that produced more than it consumed.

The big surplus beef producing area consists of nine West North Central and Great Plains states; this area produced 51 per cent of the fed beef but used only one-third as much as it produced. It includes Missouri, Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma and Texas. Two of the group—Iowa and Nebraska—were the country's leading producing states. The 11 western states produced 29 per cent of the fed beef, consumed 20 per cent. *(2)*

Midwest Feedlots Hold Their Own Despite Trend to Big Western Lots

Is the Corn Belt cattle feeder on the way out? A quick reading of the trends of the past decade might suggest that the large-scale western feedlot will soon take over the business.

But, a closer look at the relationship of costs and returns for the small-scale feeding operation on midwestern farms points in quite the other direction.

To begin with, the westerners have some persuasive percentages on their side.

On January 1, 1950, some 19 per cent of all cattle on feed were in the 11 western states. Twelve years later, the figure had risen to 27 per cent.

The growth of cattle feeding in the West reflects the rise of a relative few large operators, compared with the number and scale of enterprises in the Corn Belt.

California and Illinois illustrate the contrasts of the two areas. In 1961, there were 602 feedlots in California. One half of these feedlots, handling 1,000 head or more, had 98 per cent of the animals.

In Illinois there were some 35,131 farms that marketed fed cattle in 1959. Only three-tenths of 1 per cent turned out 500 or more annually.

The western feed lot operators attribute their growth directly to large-scale operations. One operator put it this way:

"Large capacity and effective and fully utilized high-quality facilities are a basic and accepted part of our successful operation. But our real strength comes from our knowledge of the cattle business and our bargaining power. And we are big enough and smart enough to bargain effectively. This is something the typical small farm feeder probably cannot do."

Cost figures for the average Illinois farm appear to support the negative aspect of the western

argument, at first glance.

The average cattle feeder fed 68 head between 1955 and 1960. Costs per 100 pounds of beef cattle were $19.16 for feed, $4.52 for other capital, and $1.77 for labor. The total cost per hundred pounds was $25.45. Returns, including credit for manure, averaged $24.29, leaving the farmer with a net deficit of $1.16 for every hundred pounds of beef cattle produced.

It is a red-ink story for the small feeder on the surface of it. But the figures move into the profitable black side of the ledger with further analysis of how the small operator works.

Typically, he buys his cattle in the fall and runs them for several weeks on meadow aftermath, harvested corn fields, and other crops. Though such feed shows up in the cost figures, the value would be lost were it not for the cattle feeding operation.

Later in the season, the farmer moves the cattle into an otherwise unused shed or barn. Once again, the buildings show up as cost figures, but without the cattle they might not be used.

The labor that the Illinois farmer uses during the winter feeding period is in the same category as the meadow aftermath and the old barn. How else could he sell his time from corn harvest to spring planting?

The same calculations hold true, in part, for other items such as land and equipment.

The result is that cattle feeding on such a farm can mean a profit of as much as $9 per hundredweight of gain if forages, buildings, equipment and labor are assumed to have no other productive use.

Despite the growth of the large-scale feeding enterprise, the farmer with a small drove to feed is apt to remain in a strong competitive position. Cattle feeding gives him a way to turn many of his resources into cash income. *(3)*

Act Gives Self-Employed a Chance To Cut Taxes on Retirement Funds

This is the first year farmers can take advantage of a new retirement act passed by Congress in 1962.

The new law, the Self-Employed Individuals Tax Retirement Act of 1962, makes it possible for self-employed farmers who are owners or part-owners of farms to set up a retirement plan with tax-saving features for themselves.

Heretofore, similar tax-saving plans have been available to farmers only if they were employed by others who established a retirement plan.

Under the new law a self-employed farmer may draw up plans for himself only (if he has no regular employees) or for himself and his regular employees. If he has regular employees and he sets up such a plan, the employees must be covered.

Farmers most likely to benefit from such retirement plans are owners or part-owners in higher income tax brackets. Those in lower tax brackets may find that the plan costs more than it saves.

In order to qualify as "self-employed" for purposes of the act an individual must participate personally and substantially in the production of income. His income cannot come solely from capital investment.

"Earned income" is the key phrase in the act—for determining both eligibility and the amount of contributions that the farmer can make.

The earned part of the income is the percentage of net that results from personal services. A farmer with a substantial capital investment in his business can count only part of his net profits as earned income.

For example, the maximum earned income for a self-employed, full-time farmer with substantial capital investment in his business is calculated as follows:

If net profits are—	*Maximum earned income is—*
$8,333 or more	30 per cent of net profits
$2,500 to $8,333	$2,500
$2,500 or less	Same as net profit

An owner's contribution to the retirement fund cannot be more than 10 per cent of earned income or $2,500, whichever is less.

Half of the owner's contribution to the retirement fund can be subtracted from gross income on his federal income tax return. This amount, plus earnings that accumulate in the retirement fund, is left untaxed until the fund begins to pay benefits.

Specifications are somewhat different for a retirement plan set up for self-employed persons and employees.

If the plan includes his workers, for example, the farmer can add voluntary contributions for himself but at a rate no greater than voluntary contributions of other employees. Voluntary contributions are not deductible, but taxes on earnings from them are.

Other major provisions of the act set forth rules for holding and investing contributions to the retirement fund and for making payments from the fund. *(4)*

Hired Farm Hands

Nearly 3.5 million hired hands worked on farms in 1961. About one-third were women. But only 10 per cent of the women worked for 75 days or more compared with 38 per cent of the men.

Of the 364,000 children 10 to 13 years of age who earned wages on farms, about 3 out of 10 worked for at least 25 days. There was also a heavy concentration of teenagers working on farms during summer vacation.

Only 1 in 3 hired farm hands 20 years old or older completed more than eight years of school and about 1 in 6 had high school diplomas. *(5)*

Study of Texas Sorghum Producers Shows On-Farm Storage Is Used for One-Third or Less of Grain Not Sold at Harvest

At harvest-time, a producer of sorghum grain can do two things with his crop—sell it or store it for use on the farm or later sale.

If the farmer sells immediately after harvest, the buyer probably will be an elevator operator or feed mill owner. If he stores his crop, the grain may go into a bin on the farm or a commercial elevator. Either way, the sorghum can be placed under a Commodity Credit Corporation loan.

In order to find out how farmers usually dispose of their sorghum grain crop and what kind of storage they use, economists sent questionnaires to 1,545 producers in three areas of Texas during 1960.

These farmers planted 215 thousand acres of sorghum grain in 1959. They produced 11 million bushels—about 5 per cent of the total crop in Texas that year.

Slightly less than half of the sorghum grain produced by the growers in Texas was sold outright at harvest. Most of these sales were to elevators. Sales to truckers were insignificant.

In the Coastal Bend area, sorghum grains generally are sold at harvest when the market price is higher than the net CCC loan rate. Since market prices are usually better at the beginning of the season, more grain goes into storage in the other two production regions where harvest is later.

Depending on the area, two-thirds or more of the grain not sold was stored in commercial elevators—a large proportion of it under CCC loan. Obviously, farm storage wasn't providing a major share of the space for holding sorghum grain.

The survey indicated that farmers who stored their grain on the farm did so for one of four reasons. They planned to use the grain for livestock feed, they believed their own storage was cheaper than renting commercial space, there was no off-farm storage nearby or they were putting their grain into CCC's loan program.

The storage facilities on these farms were mostly the flat type. Flat storage accounted for 84 per cent of the on-farm space in use, round metal bins, 12 per cent, and silos, 4 per cent. The average size of the units was about 10,000 bushels.

In addition to the cost, there are quite a few disadvantages to storing sorghums on the farm. Namely the chances of loss from fire, wind, theft, spoilage and rodent and insect damage. The most important risks of loss from spoilage and insects must be prevented by good management practices while the others can be covered by insurance.

Most quality maintenance problems are caused by high moisture and excess trash in the grain which lead to damage by insects, mold and heat. Although ways of maintaining quality in stored grain vary considerably among areas and producers, three practices are commonly used: drying, aeration and fumigation.

With the high temperatures and humidity in the Coastal Bend, drying and aeration are absolutely essential. Almost nine-tenths of the producers in this area dried their sorghums — three-fourths had drying units on the farm.

Farmers with on-farm storage in the drier, cooler North Central and High Plains regions rely on field drying to bring the moisture content of sorghum within storable limits. Less than 1 in 10 had aerating equipment. *(6)*

MONTANA GRAIN MEN INDICATE DOUBTS ABOUT THEIR WORK

Most grain farmers in Montana wouldn't change their occupation for the world—yet only about half of them felt that farming offered satisfactory opportunities for their children. At least that's the consensus of 200 northern Montana farmers who were interviewed last year.

For example, some 158 farmers in the survey said they wouldn't move to a more stable farming region, even if they had the chance. And some 160 farmers said they would still choose farming if they had it to do all over again.

But it was another story when it came to their children.

Only 113 farmers in the survey thought that their own sons and daughters would find their best opportunity in farming. And less than a hundred thought that farming was an attractive occupation for young people in general.

Most of the farmers agreed that with modern transportation, communications and good roads, farm children have many of the same opportunities for cultural development and group activities as their city cousins.

The survey also showed the farmers interviewed started farming as early as 1910 and as late as 1960. In that time, farm productivity increased so much as a result of technology, farmers now need more land to fully employ their modern equipment.

Many of the farmers began by homesteading on 500 acres of land with less than $4,000. In the late 1950s 1,200 acres of land in northern Montana would have cost an average of $73,000. Many of the oldtimers started out on land they owned, but since the 1950s more and more farmers have begun by renting all their land.

About two-thirds of the 200 farmers interviewed were part owners. Full owners were the next largest group. *(7)*

Spring Freeze Cut Tung-Nut Crop So Oil Supplies Hit Postwar Low

Supplies of tung oil in the U.S. during the 1962-63 marketing year that began last November 1 are the smallest since World War II. Prices are expected to be higher than the year before.

Freezing weather in the spring of 1962 in all the major producing states—Alabama, Florida, Louisiana and Mississippi—reduced the 1962 tung nut crop to a fifth of 1961 production. With an oil yield per ton of nuts the same as last year, domestic tung oil output in 1962-63 will be around 6 million pounds compared with 33 million a year ago.

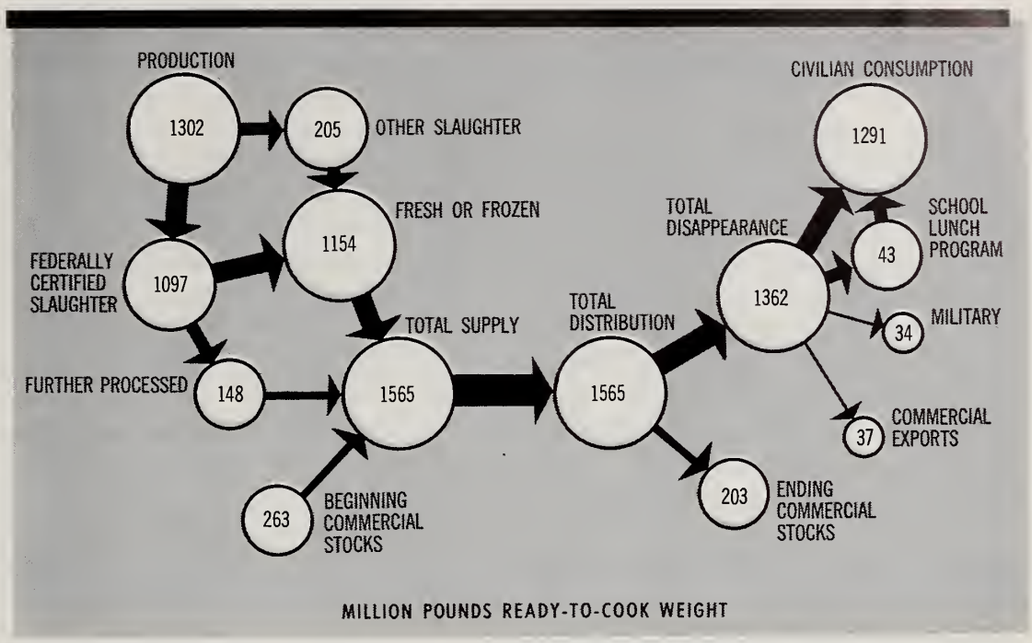
The oil is used as a drying agent in paints, varnishes, lacquers and resins and in the manufacture of linoleum, insulation and oil cloth.

Domestic use of tung oil in 1962-63 will probably total around 33 million pounds, mostly from imported sources. At this level, consumption also will be down from 1961-62 and the smallest since the 1940s.

Unstable supplies and prices have caused industrial users to substitute other oils in place of tung oil. Tung oil now accounts for less than 5 per cent of the U.S. market for drying oils compared with 12 per cent prior to 1941.

Supplies are unstable because tung orchards are unusually sensitive to weather and production runs in cycles. Normally, the trees bloom in early spring and harvest starts in October. The hulled fruit deteriorates in storage so crushing begins with harvest and is completed as rapidly as possible. The harvest usually is completed by February but milling continues into late spring.

Obviously, the annual production of nuts directly controls the production of oil. Additional supplies of oil for U.S. consumption generally are imported from Argentina and Paraguay. (*8*)



TURKEY SUPPLY AND DISTRIBUTION: Turkey production fell sharply last year—13 per cent below 1961. This was one of the most dramatic drops in the history of the industry—but it was barely noticed by the consumer. He ate 7.1 pounds of turkey in 1962, only six ounces less than he did in 1961. Though production last year dropped 204 million pounds, stocks of frozen turkey at the beginning of 1962 totaled 263 million pounds—an alltime record for the date. *(9)*

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 2038-63(5)

FEED COSTS ARE $10 FOR EVERY 100 POUNDS OF LIVE HOG

By far the largest cost item in hog production is feed. Cost studies for hog farms in Illinois have shown that the total cost of producing 100 pounds of a live hog runs about $15; two-thirds of this went for feed.

In contrast to feed, labor is a relatively minor cost. At current rates, labor was about $1 to $1.50 of the $15 production costs. The remaining costs were for housing, veterinary charges and the like.

Although labor is a minor cost in hog production, it does strongly influence the size of the enterprise and how effectively capital, land and management are used to produce pork.

Generally, hog production systems are best designed around the labor available in a family farm operation. The indications are that confinement rearing of hogs can make more efficient use of the family labor than a pasture program.

Confinement rearing is better suited to mechanization than a pasture system. By investing capital in equipment, the farmer can enlarge his hog enterprise several times without hiring additional labor. A single farmer can handle 90 litters in a year with partial mechanization. Using all the mechanical gimmicks available, he can manage over 200 litters. However, the purchase of the additional mechanical devices will more than double the farmer's investment, putting it around $104,000.

The key to efficient hog production is planning. Properly planned systems make it convenient to give attention to hogs. With good design and arrangement of buildings and equipment, the operator can check the hogs daily, spot the need for preventive medicine, sort animals carefully as they reach market weight and use limited interval feeding. *(10)*

'62 Farm Costs at $27.7 Billion; Bills to Reach $28.2 Billion in '63

Farm production expenses totaled $27.7 billion in 1962—about $600 million more than the 1961 figure. Production costs for farmers are expected to reach $28.2 billion by the end of this year.

Here's what happened to the costs of some of the major items that farmers purchased in 1962.

Farm power and machinery. Although prices of tractors, farm machinery and equipment have continued to creep up each year, the percentage increase has been smaller in recent years. While prices of these items rose 4 per cent from 1957 to 1958, the annual increase dropped to 2 per cent from 1959 on. The gradual rise in prices has also tended to be more evenly spaced throughout the year since 1958.

Because farm labor is scarce and wage rates high, farmers continue to attempt to cut their costs by using larger and more efficient machines. For example, the average farm tractor purchased now has a maximum belt horsepower of 55. A decade ago, the average new tractor was rated at about 32 horsepower.

Not only are farm machines larger, they are used on more acres each year. Self-propelled combines are used to harvest an average of 310 acres annually. Pull-type outfits which cut a swath 12 feet or more handle an average of 239 acres yearly and the small machines with a cut of only 6 feet or less are used on an average of only 53 acres.

Building materials. Capital expenditures for new construction, additions and major improvements of farm service buildings were over $800 million last year. The range during the past 15 years has been from about $780 million to slightly over $1 billion annually.

Fertilizer. Plant nutrients continue to cost the farmer a little less per ton each year. According to an index of the average cost per unit (1957-59 = 100), the price per ton was at 90 in 1962. This compares with a figure of 94 in 1961, 102 in 1956, and 117 in 1950. Although there has been some decline in prices of materials used in fertilizers recently, the reduction in the cost per ton is mainly due to the increased use of high-analysis materials.

Distribution of plant nutrients in the U.S. and Puerto Rico rose from 7.8 million tons during the year ended June 30, 1961, to about 8.4 million in 1961-62. Supplies available during 1962-63 are estimated at 9.4 million tons. *(11)*

Recent Situation for Feed and Seed Shows Higher Prices in Spring '63

Feed and seed are two of the major production inputs farmers grow themselves. Here's the recent situation for these commodities.

Feed: Prices for feeds were somewhat higher from October 1962 to March 1963 than they were during the same months a year earlier. High protein feeds were priced an average of 18 per cent more, and feed grain prices were about 2 per cent higher. In mid-spring, prices for corn and sorghum grains were up, but those for oats and barley were lower than in the same period a year ago. During these same months, market prices for some of the more important classes of livestock declined.

Seed: The supply of 26 kinds of field seeds this year was 5 per cent less than supplies in 1961. As a result, retail prices farmers paid for seed in mid-spring averaged 6 per cent above a year earlier.

Total production of seven important hay and pasture legume seeds in 1962 was 3 per cent smaller than the 1961 output. Prices for certified alfalfa seed in April of this year were up over a fifth from 1962. *(12)*

JFK Gives Authority to Freeman To Maintain Int. Wheat Agreement

Now that the 1964 wheat program has been voted down by growers, what will happen to the International Wheat Agreement?

If U. S. farmers should produce a crop far in excess of normal domestic and export needs next year, wheat prices in this country could easily fall below the minimum sale price specified in the Agreement. U. S. exports at such prices would undercut the market for the remaining nine member-exporters in the IWA. (This will not be permitted to happen.)

In order to prevent any violations of the IWA, President Kennedy has delegated to the Secretary of Agriculture the authority granted him by Congress to maintain the provisions in the Agreement. Consequently, Secretary Freeman can (1) make available, or cause to be made available, quantities of Commodity Credit Corporation wheat and flour at prices within the range specified by the IWA, (2) prohibit or restrict importing or exporting as is necessary under the provisions of the Act and (3) take any other action necessary.

Under the Act as amended, the 36 member-importers are required to buy specified shares of their quotas from the U. S. at prices ranging between $1.62½ and $2.02½ for No. 1 northern spring wheat in storage at Fort William/Port Arthur, Canada.

The U. S. expects to continue to export wheat at prices in line with those asked by other IWA member-exporters during 1964. However, the goal is to hold prices for wheat sold to member-importers near 1962-63 levels next year.

Sales of U.S. wheat to nonmember countries also will be made within the specified IWA range of prices. Purchases by such countries usually account for a fourth of total U.S. commercial wheat exports. *(13)*

Before Signing, Farmer Should Know Pros and Cons of Sales Contracts

Dealers who sell tractors, trucks, or automobiles to farmers are making wider use of the conditional sales contract these days.

In a typical instance the farmer makes a small downpayment on the machinery, then, as specified in the contract, pays the balance and interest on it in monthly installments.

Farmers may want to review the advantages and disadvantages of such contracts from the buyer's point of view.

Probably the No. 1 disadvantage: It makes it easy for the farmer to become overburdened with debt. Credit is extended for a larger part of the purchase price than is usual when the farmer borrows money from a lending institution to make the purchase.

Interest rates are usually higher under terms of a conditional sales contract than for a loan secured by a chattel mortgage. And the buyer usually has less of a grace period to make up any deficiencies in fulfilling the contract.

Chief advantage of the sales contract is that it makes credit easier to obtain. Because a lower down payment is required, it takes less time to save enough cash to make the purchase. If the item purchased is needed for increased production, earlier purchase may mean increased income. *(14)*

Farm Owners

More farmland is owned by the farmers themselves these days. Estimates show that farmers actively engaged in the business owned only 54 per cent of the nation's farmland in 1935. In 1954 the figure was 62 per cent. It dropped to 59 per cent in 1959, probably because of the more restrictive definition of a farm adopted in the 1959 census. *(15)*

Farm Laborers

Years ago, all a hired farm hand needed was a strong back. Today, of the million and a half men hired to work for wages on farms for at least 25 days, almost half are experienced in some mechanical skill, either in major repair and maintenance or the operation of farm machinery. About one-third of the men run tractors or trucks while only 1 out of 3 works at unskilled hand labor.

On a regional basis, the South has the highest proportion of unskilled farm laborers—60 per cent of the region's farm working force. *(16)*

Increased Net Debt of Agriculture Attributed to Three Main Causes

Since the end of World War II freedom from net debt has become a state less and less likely to be achieved by the farmer.

The reasons are mainly three.

Capital investment needed per farm has increased steadily.

Prospects for farm income have been less favorable than during war years.

And the cost of rural living has been rising.

Since the war, loan terms have generally become more liberal, and many improvements have been made in loan machinery.

For example, Federal Land Banks can now lend to a single borrower up to 10 per cent of his net worth.

Lending on livestock, machinery, and equipment has become more important.

Merchant lending has increased; probably the most significant development along this line has been the lending by feed dealers and feed manufacturers to specialized livestock enterprises.

A key improvement in loan machinery has been the hiring of more agriculturally trained men to evaluate the business potential of farmer borrowers. *(17)*

Panel of Michigan Farmers Reports Sources, Amounts and Uses of Loans

How do farmers use credit as an agricultural resource?

A panel of 103 Michigan farmers is providing some of the answers. Since January 1961 they have been reporting monthly on amount, source, purpose, and terms of the credit they receive.

Members of the panel are, on the average, younger than Michigan farmers generally, and they operate larger farms. Because the trend in Michigan is toward larger farms, the credit practices of the panel are probably more future-oriented than practices of average farmers.

In 1961, most of the panel members had some debt. Three-fourths of them borrowed during the year. Farmers who borrowed got an average of 3.7 new loans for a total of $9,750.

Average debt per member of the panel increased by $3,600 because a relatively few farmers borrowed a lot more than they paid back. Ten per cent of the borrowers obtained about half the credit; they averaged nearly $50,000 in loans. In all, about 40 per cent borrowed more than they paid back. Half of the panel members paid back more than they borrowed.

In general, the more a panel member borrowed, the more loans he obtained and the more loan sources he used.

Nearly half of the loan funds were obtained to make capital investments.

Most of the loans were made in the spring and fall months when cash outlays for planting and harvesting are made. More money was borrowed in September than in any other month.

Banks, production credit associations, and the Farmers Home Administration provided three-fourths of the amount borrowed by panel borrowers in 1961. Banks topped all sources. *(18)*

Tobacco Farmers in North Carolina Got Less Net Income During 1962

Most farmers in the Coastal Plain of North Carolina produce flue-cured tobacco—either as their major cash crop or along with cotton. Last year, the average yield of tobacco in this area reached the alltime high of 1,970 pounds per acre. The quality of the crop, however, was much lower; the average price received per hundred pounds dropped $4.09 to $58.53.

Farmers ended 1962 with less net income than they had in 1961 despite a 4.3 per cent increase in acreage allotments, slightly higher price supports for flue-cured tobacco, higher tobacco yields and slightly higher cash receipts from other crops and livestock—corn, soybeans, cattle, calves and hogs.

Higher operating expenses took a larger slice of 1962 gross returns for both the tobacco and tobacco-cotton producers.

Net returns to the tobacco farmers are estimated at $6,364, nearly 7 per cent below the 1961 level.

On tobacco-cotton farms, net income for 1962 averaged $6,481 compared to $6,857 in 1961. *(19)*

Net Farm Income Up 10% and 4% For Broiler Producers in Two Areas

Maine broiler growers producing under contract increased their net farm income about 10 per cent in 1962; in the Delmarva area the increase was 4 per cent.

Net farm income in 1962 for contract broiler operations in Maine averaged $4,137 compared with $3,776 in 1961. Net income for Delmarva growers averaged $5,542 per farm last year and $5,321 in 1961. Farm income increased from 1961 to 1962 because of stepped up broiler output and higher returns per bird.

Operating expenses in 1962 were somewhat lower for Maine producers and only slightly higher in the Delmarva area.

Broiler growers in Maine and Delmarva produce birds under contract with firms such as feed dealers, feed mills, hatcheries and poultry processors. The contracting firm retains ownership of the broilers and supplies the feed, chicks and most other production inputs. The firm also makes most of the marketing decisions and assumes any cash losses. The growers provide buildings, equipment and labor.

Delmarva includes parts of Delaware, Maryland and Virginia.

The Maine growers produced an average of 65,000 birds last year. Delmarva producers typically turned out about 44,000 broilers in 1962. *(20)*

Mortgage Foreclosure of Farmland Is an Increasingly Rare Occurrence

Farm mortgage foreclosure has gone the way of the draft horse and the threshing machine. It has become almost a rarity in the past 20 years.

Some related developments during this time are:

—There has been a ready market for farmland at steadily rising prices despite the growing disparity between prices and net returns.

—Enlargement of existing farms has become an increasingly important reason for buying land. During the past 10 years, land purchases for this purpose nearly doubled.

—Use of the installment sales contracts between seller and buyer of farmland has increased.

In the 1950s, 15 per cent of the land sales were financed by this means; in the past three years the percentage has been 30.

The installment sales contract is an arrangement whereby the buyer pays down 20 to 30 per cent of the purchase price. The balance is paid in installments over 10 to 15 years. *(21)*

Returns for Part-Time Farmer Are Food and Shelter Instead of Cash

A part-time farmer in a low-farm-income area often receives little or no cash in return for his investment. Commonly he settles for the rental value of his dwelling, the value of home-produced food, and increase in land value as returns for his considerable investment in land, labor, and capital.

Often such a farmer can add several hundred dollars to his income simply by a better choice of farm enterprise, judging from an ERS study of part-time farming in 24 counties of northeast Texas.

By choosing enterprises that made better use of available land, labor, and capital the Texas farmers could have realized from $417 to $860 annual farm income. The farm income they received in the year of the study was negligible.

In seeking the best alternative uses for the farm resources employed, the researchers found choice of enterprise more limited by capital than by land or labor.

The ERS study was made in 24 Texas counties in which one-third of all farm operators were part-time farmers. *(22)*

Beef-Veal Leaders

Texas, Iowa, Nebraska, Kansas and California led the parade in production of beef and veal last year, according to figures on the live weight output of meat animals by states.

Together, these five contributed over a third of the nearly 30.3 billion pounds of live cattle and calves raised on U.S. farms and ranches during 1962.

Texas ranchers were in first place with 3,010 million pounds. They were followed by Iowans with 2,412 million pounds, Nebraskans with 1,803 million, Kansans with 1,721 million, Californians with 1,518 million. *(23)*

MIGRATION FROM MAINSTREET

The boys and girls who grow up in small town America are following the farmer's son and daughter in the parade to city jobs and city living

The forces that have been changing the farms of the country have been at work in small town America as well. The trend in small town stores, like that in the farms they serve, is to fewer but larger units.

The Iowa towns of Scranton and Grand Junction are a case in point. They grew up with the farm families of Greene County, and each supplied the needs of farmers living within a radius of 10 miles or so.

But the number of farms is declining, and with good roads available the remaining farmers don't use the nearby small towns as much any more.

Grand Junction, which boasted 1,125 persons in 1940, had a population of 949 at the last census. Scranton, population 1,014 just before the war, had dropped to 865 by 1960. The population of the entire county had slipped to 14,294 in 1960, some 2,300 less than two decades earlier.

Only Jefferson, the county seat, increased its population. The 1940 Census recorded 4,088 persons living in Jefferson; in 1960 there were about 500 more.

The migration from Greene County has done more than just reduce the population, it has changed it too. The young adults are the ones who leave; the middle-aged and older persons, by and large, stay behind.

Today there are fewer 20- to 30-year-olds left, which means there are fewer young men and women to build new homes, raise families, buy food, clothes, hardware and farm supplies from the local merchants.

Like most small towns Scranton and Grand Junction still depend on farmers for their livelihood. Though the proportion of the labor force in the county working directly in agriculture dropped from 55 per cent to 38 per cent between 1930 and 1960, the proportion directly or indirectly connected with agriculture has changed little in the past 30 years. Any increase in local employment has in general been in response to the farmer's growing needs for machinery and supplies.

Despite the drop in population, the volume of retail business in the county has grown. The Greene County farmer sells more and buys more today. His family income is up. The increase has sustained those stores that are still in business. Since 1948, for example, there has been a big increase in the volume handled by firms selling the production goods needed on the farms. But the consumer-oriented businesses, more closely linked to numbers of people, have increased their volume far less.

Like the farmers around them, some of the local businessmen have quit as the result of intense

competition for a limited market. Some have managed to buck the trend and are the proprietors of the larger-volume stores that have emerged. Others, especially the older owners who do not see themselves able to expand, have gone into a gradual retirement.

These owners have cut down on the number of employees. They offer fewer services, make do with out-of-date equipment, cut back on the amount of goods in stock.

When the present owner of the marginal business retires completely, more often than not the door is padlocked.

Even the farmers remaining in the county are often bypassing the small towns. They are taking more of their business to Jefferson, or driving another 30 or 40 miles to Fort Dodge or Des Moines, where the stores are bigger and the variety of goods more attractive.

Some of the merchants say improved shopping services would attract the customers they need, despite the declining population and the competition from neighboring cities.

But the majority feel their biggest task is finding a way to provide more good-paying jobs for the young people to keep them from moving away. *(24)*

POPULATION OF GREENE COUNTY

Year	Greene County	Per cent change
1860	1,374	———
1870	4,627	236.75
1880	12,727	175.05
1890	15,797	24.12
1900	17,820	12.81
1910	16,023	—10.08
1920	16,467	2.77
1930	16,528	.37
1940	16,599	.43
1950	15,544	—6.36
1960	14,294	—8.04

Developers of Recreation Subdivisions in the Appalachian Mts. Found Slopes Posed Special Water and Sanitation Problems

Let the buyer beware! And the developer, too, when a subdivision in the mountains is planned. Old Man Mountain presents special problems for urbanites who want "a place in the country."

But with careful planning, based on the experience of pioneers, expensive mistakes can be avoided in building mountain recreation developments.

In a 15,400-acre mountain area, 50 miles west of Washington, D.C., the building of summer and weekend retreats has taken 1,035 acres out of agriculture in 25 years. At least half of this land has been privately subdivided. Three subdivisions, gradually filling up land once devoted to hard scrabble farming, provide examples of problems developers face.

Early planners of recreation subdivisions had few guidelines for their layouts.

The peculiarities of mountain soils for housing sites and the problems of drainage fields for septic tanks were not well understood. Standards for urban subdivisions didn't help. Building codes and sanitation standards weren't available.

Even the most conscientious developer was taking the chance that his engineering and planning judgment might prove economically unsound.

In some cases, lot size and shape and general plot layout were inadequate for modern needs. Requirements for water supply frequently were overlooked and provisions for sewage disposal barely met state health standards.

A concentration of recreation or "second home" developments in a single area is apt to create problems that wouldn't show up when isolated cabins are few and far between along a mountain ridge.

Access roads and the small clearings for mountainside homesites can cause erosion because of the loss of ground cover. Accelerated runoff, plus increasing use of water as families move in, might dry up the shallow springs and other sources used extensively for water supply.

Another problem is pollution. Slow rates of filtration through the soil, relatively shallow soils, and steep slopes multiply the possibilities of contamination.

In some instances, services that sufficed at first have turned out to be inadequate as the weekend communities have filled up. And plans designed for summer use frequently are later called on to serve year-round.

The developments can increase the burdens on local fire departments, school facilities and law enforcement agencies when families decide to move in permanently. And when owners retire to their homes in the mountains they still want mail service, snowplowing and telephones.

The membership, private property and limited access features of these mountainside recreation subdivisions place them in a governmental twilight zone.

When problems come up that the developer can't solve, some lot owners have found it necessary to organize themselves into citizens associations to work their way out of their difficulties.

But with Americans in ever increasing numbers building "second homes" on former farmland, rural communities are realizing the need for sound planning.

And by taking advantage of the experience already gained in these areas and the technical help available at all levels of government, the developer, his customers and his rural neighbors can avoid the unique problems posed on the mountainside. *(25)*

Conflict Over the Use of Land on Border of Growing Cities Can Be Avoided With Help of Careful Zoning and Area Plans

One day a few years ago a Kansas farmer started to put up buildings for a 160-acre hog farm three miles outside Wichita. Some 2,500 hogs were eventually housed on the farm, but not before the owner, a group of offended neighbors, and several lawyers had fought their way through county zoning offices, the lower courts and the Kansas Supreme court.

Two Pennsylvania brothers, not long ago, got a permit to raise 40,000 to 50,000 turkey poults on a 42-acre tract near Allentown. They have their poults now, but they got them only by going through the Board of Adjustment, the Court of Common Pleas, and the Pennsylvania Supreme Court.

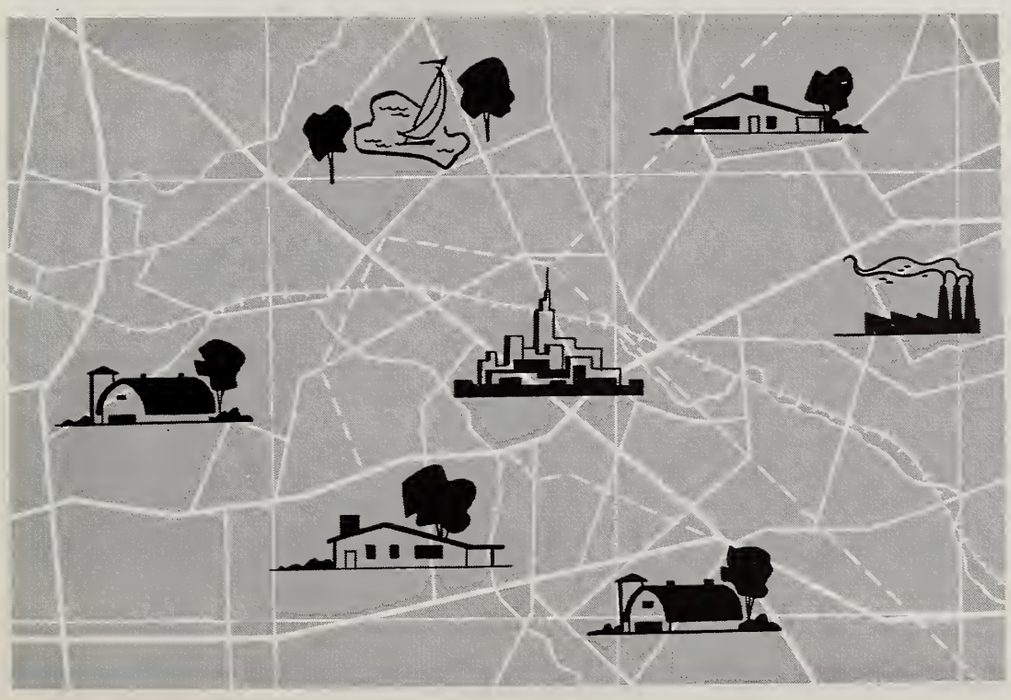
The conflict of farmer and suburban home owner is just one of the problems proper zoning could help to forestall.

Zoning based on good planning can guide the rural community through and past the eyesore stage of urban expansion. Zoning can help the community avoid the patches of rundown homes, decaying businesses, and weed grown fields and lots that often mark the outward movement of a city. These derelict stretches are not only ugly, they are costly, representing a sharp drop in property values.

Zoning can also help to make the tax dollar go further. When homes and stores and factories are scrambled together, the community finds itself paying for larger water mains and sewers, wider streets and heavier pavings than it would for a purely residential district. Also scattered housing developments make it more expensive to provide such community services as schools, buses and police and fire protection.

Community pattern zoning would avoid conflicting development, while providing room for future expansion for one or more community needs.

Zoning can also help to head off the sometimes costly competition for the most fertile farmlands in the area. The most productive farmland is, unfortunately, often the most attractive to the men who want to develop housing tracts because the roads and other public facilities are already in place. It costs less to prepare fertile, level land for homes than to work over hills, and the builder can usually cut more lots out of flat land than hillsides.



But though it may save the builder something, it can cost the community more.

Letting farms go out of production ahead of time can drag a chain of farm-related businesses into oblivion before the community is ready to develop other sources of income. Nor is the money from farming lost apt to be a casual matter.

In California, for example, one estimate is that produce worth $2.5 billion at the farm turns into $10 billion income for the people of the state through the sales of supplies and machinery and through added processing.

Zoning ordinances can help the town, the county or the state protect its water supplies.

Zoning can help to prevent pollution of rivers and streams by restricting upriver areas to farms and forests or to homes with grounds of at least several acres.

Outdoor recreation areas set aside in a community's plan can be reserved by the proper use of zoning. Frequently such recreation areas combine their functions with forest and grazing land. *(26)*

Aerial Photography

Before rural communities start scouting for ski sites in the mountains, they might be better off to take to the air. Aerial photographs cover the terrain a lot faster than hiking parties.

The photos locate streams, lakes, and ponds for the necessary water supply, and pinpoint fine detail. For example, the aerial photos reveal the steep slopes for experts and the gentle ones for beginners.

Along with the aerial photos, small-scale topographic maps and up-to-date highway maps help locate the best terrain. *(27)*

Southern States Have Large Supply Of Undeveloped Recreation Regions

Southerners have a natural resource that's in increasing demand. It's vacation land.

From Padre Island at the northwestern rim of the Gulf to the Everglades of Florida and from the sun-washed Keys on up the Atlantic to the outer banks of Hatteras, southern states can claim over 8,000 miles of varied shoreline for vacationers. For those who prefer their relaxation by mountain lakes, the South has plenty of them, too.

And between the sweep of the sea and the mountain parks, there's plenty of room for the picnic grounds, swimming pools and playgrounds that satisfy our day-to-day need for space in which to pause and take pleasure in the world about us.

According to a recent study, the southern states had nearly 26.5 million acres of public outdoor recreation areas in 1960. With 30 per cent of the national population, the South has 11 per cent of the total public recreation area. In the Northeast, 25 per cent of the national population has to get along with 4 per cent of the national recreation acreage.

But though the South has a good supply of public recreation areas it could use more. The great public parks, beaches and forests are not always where most people can get to them. Nor do they in themselves provide all the things that the great majority of us enjoy when we take to the outdoors. Some of the types of facilities that will be needed in the future could most easily—and profitably—be supplied by private developers.

A mountain vista or a sweep of ocean dunes is not quite enough. We also need parking lots at the beach, campgrounds in the mountains, shooting preserves, fishing lakes, ski lifts, lodges and the like.

Though it takes plenty of capital to develop even a modest recreation enterprise, it can pay off in increased returns for the farmland used. Motels and trailer parks, golf courses and bowling alleys, playgrounds and trails for hikers or more leisurely walkers, are all part of the picture. And they can turn a bit of pleasant countryside into a profitable enterprise for a farmer with some land to spare. *(28)*

Census Puts Bulk of Family Farms In $2,500-$10,000 Sales Bracket

According to the last agricultural census, most of the 1.8 million farms that went out of business during 1949-59 were marginal operations with less than $2,500 in marketings annually.

Farms selling between $2,500 and $10,000 worth of products also declined in number but they increased as a proportion of the total of all farms. These farmers enlarged their businesses during the decade. Most of them are family farmers.

And, more farmers moved into the $10,000 or more annual sales group, making it the most rapidly expanding sector in American agriculture. *(29)*

Older Folks Remain on the Farm; Young Adults Leave for the City

More than 43 per cent of all farm people are under 20 years of age, compared with 39 per cent of the nonfarm population. But farm population is low in its proportion of young adults and early middle aged persons. Persons 20 to 44 years old account for only one-fourth of the total farm population. In the city it's close to one-third.

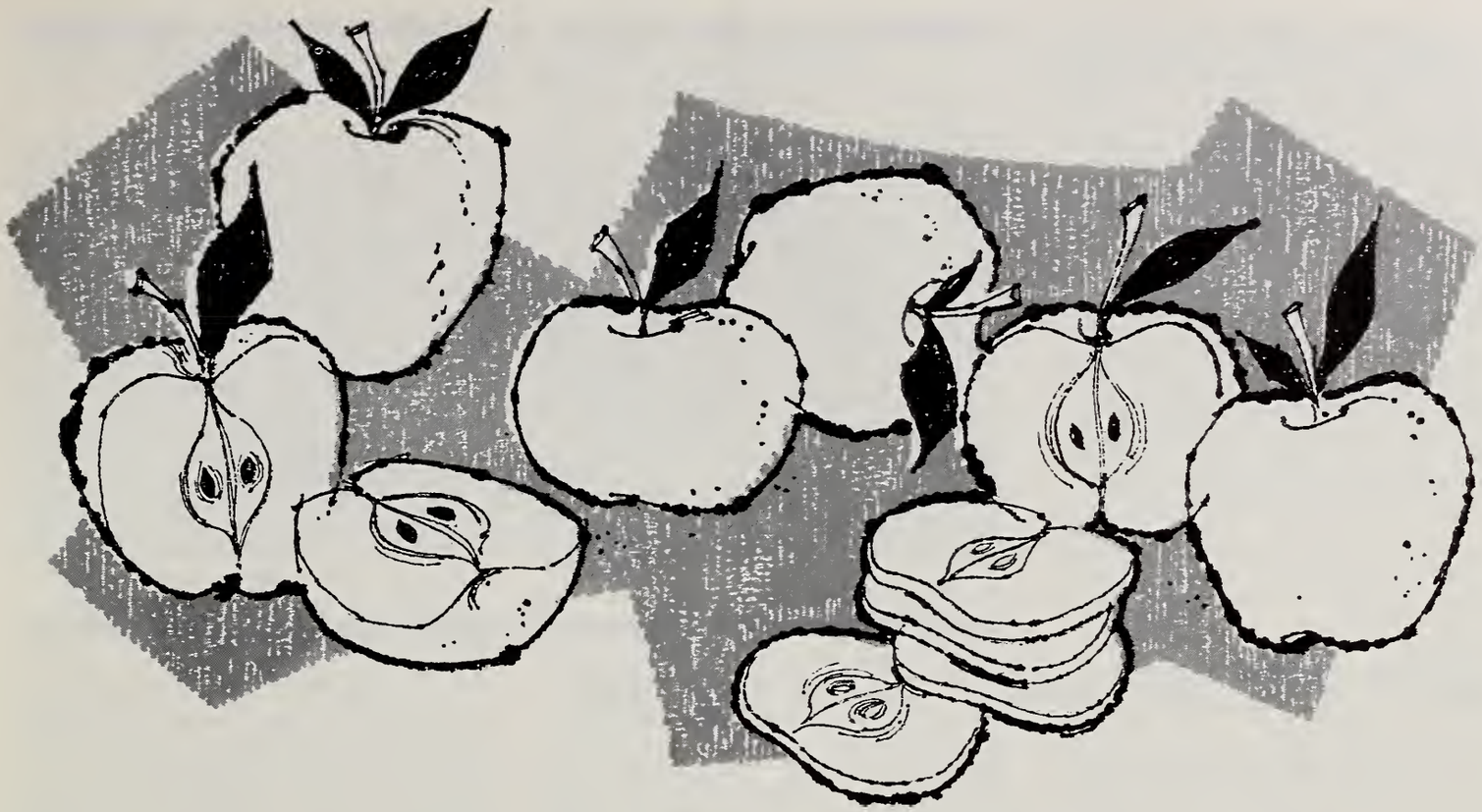
These figures indicate the exodus of young adults from farms during the last two decades. As a result of this movement, today there are many more older adults on farms than there are younger adults.

There are more males per female on the farms than in the city—about 108 to every 100 females. In the city, it's 93 males to 100 females. The high ratio of men to women continues to be a distinctive feature of the farm population.

All in all, more than 14 million people live on farms in the United States. That's about 8 per cent of the total population. Nearly 6 million are in the labor force—more than 4.25 million men and 1.5 million women. *(30)*

THE FARM POPULATION IN 1962

Age	Total	Male	Female
	Thousands		
Under 14 years	4,359	2,209	2,150
14 years and over	9,954	5,225	4,729
14 to 19 years	1,812	1,000	812
20 to 24 years	721	392	329
25 to 44 years	2,855	1,411	1,444
45 to 64 years	3,212	1,698	1,514
65 years and over	1,354	724	630
All ages	14,313	7,434	6,879



APPLE PRICES: ESTIMATED BY FORMULA

Economists in the Economic Research Service have developed a formula that growers and processors can use to estimate farm prices of canning and freezing apples before the season begins.

While the formula isn't exact, trial runs show it comes close enough to help growers decide how much their crop will be worth and when to sell. It will help processors, too, in determining when to buy and what quantities of apples to buy.

In the last decade more and more of the nation's apple crop has gone into processing as the consumption of canned and frozen apples has increased relative to fresh apples. By 1961, 21 per cent of all apples ended up in cans or freezers.

However, farm prices of processing apples fluctuate widely from year to year. Prices ranged from a low of $32 a ton in 1951 to a high of $81 in 1953. The year-to-year change was as high as $25.70 a ton, or 80 per cent, from 1951 to 1952. In 1961 the price dropped $13.20 a ton or 23 per cent below 1960.

Trial runs also showed that the new formula explained more than 90 per cent of the annual fluctuations in prices growers received for canning and freezing apples between 1951 and 1961.

Being able to anticipate such price swings helps both grower and processor. Growers can make better decisions as to how much to invest in chemical sprays and other costly inputs for their orchards as well as storage possibilities for the crop. Processors can also make better plans. For example, if the price of apples is going up relative to prices of other fruits, frozen pie makers may want to produce fewer apple pies.

The measurable factors used in the formula are farm price for processing apples, estimated apple crop, carryover stocks of canned and frozen apples and the price of fresh apples. This last factor is important because consumers tend to think of fresh and processed apples as substitute products.

Other factors that affect price, such as advertising programs and new technology, are not included because they are not so easy to measure.

Put into the formula, the measurable factors for July, when apple harvest begins, come up with a revealing set of answers.

For instance, at the 1962 population level of roughly 185 million, an increase in the apple crop estimate of 0.1 bushel per capita is equal to a total crop increase of 18.5 million bushels.

Over time this increase will bring about an average price decrease of $0.67 per cwt, or $13.40 a ton. This is a decrease of nearly $6 million for the total 18.5 million bushels.

On the other hand, a corresponding decline in crop size would cause a $6 million price increase.

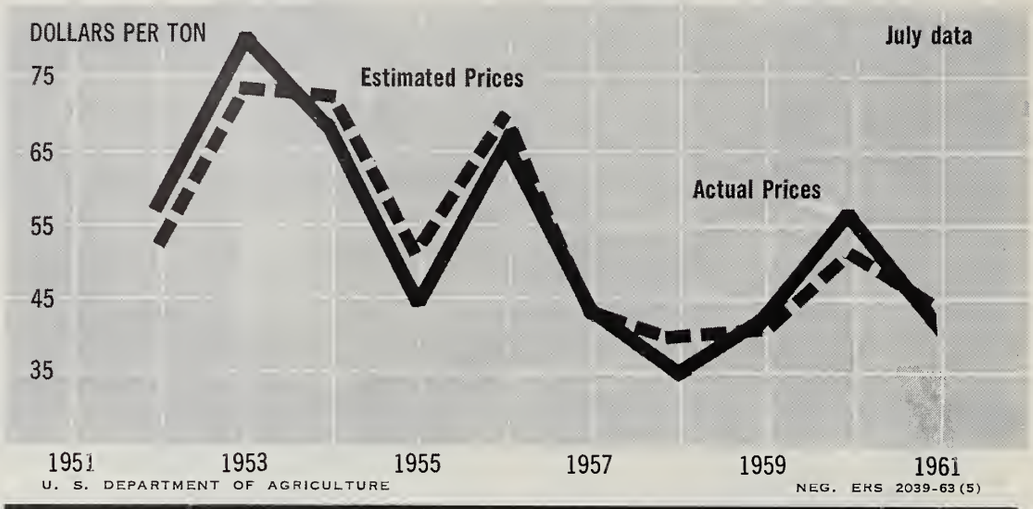
Applied to stocks of canned and

frozen apple slices and canned applesauce as of July, the formula shows that a drop of 0.1 pound per person leads to an increase of about $0.10 per cwt. or $2.00 a ton in the season average farm price of canning and freezing apples.

As the chart shows, prices estimated from the formula came quite close to actual prices received by growers in July. This was also true for August, September and October, the other three harvest months studied.

ERS economists are now working on a broader study that considers fresh as well as processing apples. *(31)*

FORMULA YIELDS ESTIMATES CLOSE TO ACTUAL FARM PRICES OF PROCESSING APPLES (Prices are annual average)



TURKEY'S WEIGHT AND SEX AFFECT COST OF PROCESSING

How much does it cost to process a ready-to-cook turkey from the live bird? An average of 5.4 cents a pound (processed weight) for heavy young toms and 6.7 cents for hens, according to a recent survey of 25 turkey processing plants.

The weight of the bird has a major effect on the cost of getting turkeys processed. Because the toms weigh more than hens, the amount of meat processed per hour is greater although fewer birds are handled.

Processing costs for the other two market classes of turkeys are higher yet. Breeders take longer to handle and they often require extra labor to remove pinfeathers. The increased cost per pound for packing also helps to raise the costs.

More fryer-roasters can be processed in an hour than any of the other three classes. However, their smaller size reduces the output of meat and raises labor and packaging costs per pound.

Several of the plants processed chickens as well as turkeys. As a rule, their processing costs were more than those of firms handling turkeys only. The difference was apparently due to time lost in changing from one class of poultry to another, buying more types of packaging material, labor problems related to the shift in output and the additional supervision and management needed. Labor is the largest and most significant expense item in turkey processing.

Costs for the different plants varied widely, even when they had the same capacity. The costs were affected by the age and condition of the plant, wage rates, types of packing materials, the efficiency of labor and management and the extent of plant capacity use.

Using the data from the 25 plants surveyed, researchers studied 10 model plants to find the size of operation that would give the lowest costs. These models could handle 200 to 4,000 heavy young hen turkeys (weighing 13 pounds ready-to-cook) per hour of operation.

When these plants were operated at 100 per cent of capacity for seven months each year, processing expenses ranged from 6.9 cents per pound for a model with a capacity of 200 birds an hour to 4.5 cents a pound for one with a capacity of 4,000 birds an hour.

However, more than half of the savings were obtained as model plant capacity went from 200 to 800 birds per hour. A plant with a capacity of 1,500 turkeys realized three-fourths of the savings. *(32)*

AVERAGE COSTS PER POUND FOR MODEL PLANT PROCESSING 13-POUND HENS

Cost items	Birds per hour			
	200	800	1,500	4,000
	Cents per pound			
Variable operating [1]	3.0	2.2	1.8	1.4
Constant unit operating [2]	2.2	2.0	2.0	2.0
Fixed operating [3]	0.8	0.6	0.7	0.6
Fixed overhead [4]	0.9	0.7	0.6	0.5
Total	6.9	5.5	5.1	4.5

[1] Wages, electricity, water, repairs and wear depreciation. [2] Packaging, supplies, miscellaneous. [3] Salaries, management expenses, heat and telephone. [4] Depreciation of building and equipment, taxes, interest, insurance, repairs and maintenance.

Better Marketing System Is Needed To Cut Food Costs in American Samoa

Retail food prices in American Samoa are about 48 per cent more than they are in the United States.

About two-thirds of the higher retail cost of food can be traced to import duties, ocean freight charges to the seven-island Pacific group, and fees charged by commission merchants in the U.S. for handling Samoan orders.

The other third is due to higher retail markups taken by Samoan merchants compared with markups of stateside retailers.

Last year an ERS marketing specialist made an on-the-spot study of food marketing at the request of the government of American Samoa.

He found that Samoans live mostly on native foods that are high in starch, such as bananas, taro and breadfruit. They also produce citrus fruits, papaya, coconut and other tropical fruits and vegetables as well as some fish and pork. But there are no fresh dairy products available in the islands.

All canned and dried foods, cigarettes and the like have to be imported from the United States.

With more off-farm jobs opening up, in government and in Samoa's tuna industry, natives can afford to buy more imported foods than they used to.

However, there are no food wholesalers in Samoa. And the retail trade is highly concentrated. Four firms control about half of the annual sales of $3 million.

Nearly every merchant, large and small, sets retail prices by increasing the wholesale price in multiples of 5 cents rather than marking up to the nearest cent as U.S. retailers do.

This system simplifies the arithmetic for both retailer and customer. But it also boosts prices and margins.

The ERS study indiciates that this marketing system needs improving. It suggests that setting up a consumer cooperative might reduce retail prices by increasing competition.

The report suggests that easing some present government policies would increase competition by making it easier for non-Samoan retailers to set up shop in the islands. Long-established land tenure policies virtually prevent outsiders from owning land.

A weights and measures law for Samoa is also recommended. Several stores surveyed last year sold flour, for example, at 50 cents a bag, but bag weights varied from 3½ to 4 pounds. Customers simply bought "50 cents' worth of flour" without knowing how much they were actually getting.

Finally, the report points out that the public market on Tutuila, the principal island, is mainly an open space under the trees in the general area of the bus terminal where natives sell their homegrown produce.

A modern public market is needed to improve sanitation, insure fair marketing practices and encourage farmers to grow more products to sell commercially. *(33)*

Mo' Hair in Texas

The U.S. 1962 clip of mohair was the largest ever, 27.2 million pounds. Most of the increase was in the clip from Texas, chief mohair state.

The United States is the world's leading producer of this specialty wool from the Angora goat.

About three-fifths of each year's clip is exported. Half of our exports go to the United Kingdom. Other leading customers are Netherlands, Belgium and Japan.

Foreign demand for mohair varied last year from month to month as fashions changed. Mohair usually is blended with other fibers to add strength, luster and a crisp hand to a fabric. *(34)*

Protein-Rich Safflower Products Provide Food for Man and Beast

Pour safflower oil on salad, use it in paint, or spread your bread with margarine made from the oil. It's a versatile oil—and an ancient one, too. People in the Middle East have cooked their food for centuries in safflower oil.

But though an old crop in the Middle East, safflower is a new one to American farmers who can sell the seed for its oil and use its meal to feed cattle, hogs and poultry.

As recently as World War II, small quantities of copra meal—a byproduct of coconut oil extraction—was the major oilseed protein meal produced in the Pacific states and used for feeding dairy cattle. There was a need for a crop in the Far West that offered a local supply of high protein meal for livestock feed.

After the war, safflower was introduced in California on a small scale. Originally, the domestic demand for safflower oil was for use in paints and other industrial drying-oil products.

In the late 1950s, because of a strong and growing consumer demand for polyunsaturated oils, safflower production increased rapidly. Its meal found a ready market in the feed industry.

At first safflower meal contained only 22 per cent protein. But now a new process removes the fibrous hulls from the meal, boosting protein content to about 40 per cent, making it an excellent feed for livestock.

Farmers, still experimenting with the new crop, have more than tripled the average yield per acre in the last twenty years—from 200 pounds to 700 pounds of seed yield per acre on dryland cropping. The gains are even greater on irrigated lands.

Today's demand for polyunsaturated food oils suggests a profitable outlook for the new oil crop. *(35)*

Lower Prices, Commonwealth Preference Give New Zealand Trade Edge Over U.S. in Marketing Some Farm Products

U.S. exporters of dairy products and variety meats are running into more and more competition from New Zealand in many markets.

New Zealand has special trade concessions in the United Kingdom and other Commonwealth countries. And New Zealand can deliver farm products to European and other overseas markets at prices competitive with our own.

Take cheese for example. Although New Zealand has to pay higher ocean freight charges than we do to reach European markets, U.S. exports still have a hard time competing.

First, there's the problem of Commonwealth preference. New Zealand's cheddar cheese gets into the United Kingdom duty-free, while ours is subject to a 15 per cent ad valorem tariff.

Secondly, there is the price factor. Wholesale prices of American cheddars, f.o.b. Wisconsin, averaged about 36 cents a pound in 1960; New Zealand's finest cheddars wholesaled in the U.K. at about 30 cents a pound.

New Zealand's price advantage extends beyond the Commonwealth. In 1961 New Zealand's best cheddar shipments to Japan averaged 26 cents a pound, while U.S. cheddar was priced f.o.b. at 33 cents.

U.S. producers are particularly concerned about New Zealand's ports of nonfat dry milk.

In 1960 New Zealand replaced the United States as the world's largest commercial exporter of nonfat dry milk. The key word is commercial. If we count exports under foreign aid programs, the U.S. still leads the world in exports of nonfat dry milk.

Competition is already keen in variety meats.

Since 1958 New Zealand's exports of variety meats have shot up more than 25 per cent. Over 85 per cent of these exports go to the United Kingdom where they compete with U.S. variety meats.

True, the U.S. has been able to step up sales since the U.K. liberalized imports of variety meats in 1959. But New Zealand's beef variety meats enjoy a 20 per cent ad valorem tariff preference in the U.K. that our exports don't get. However, the U.K. imposes no tariffs on mutton, lamb and pork variety meats. *(36)*

QUALITY PRODUCTS HOLD KEY TO MORE EGG SALES ABROAD

How to increase egg exports?

One way, according to marketing economists, is to put the accent on dried and frozen eggs—to tailor them to the requirements of our foreign customers.

Best foreign customers for these products today are food manufacturers in the United Kingdom and in West Germany.

Some U.S. manufacturers have shown interest in developing markets in these two countries for compounded egg products which contain sugar or other additives. But these customers prefer plain egg products to those that have other ingredients added.

They want egg products that are uniformly good performers. That is, dried whole eggs should have good lifting power; dried egg whites should whip well.

Food manufacturers in West Germany want whole eggs and egg yolks to have a deep yellow color because addition of artificial color to most of their manufactured foods is prohibited by law.

Customers in both countries have indicated that they could use egg products with more rapid dispersibility, that is, better mixing qualities, than those currently available.

Egg imports into both the United Kingdom and West Germany must be free of Salmonella bacteria, a requirement that our egg exports do not always meet. Apparently pasteurization methods currently in use cannot kill all the undesired bacteria in the eggs without hurting other desirable properties.

USDA's Western Regional Research Laboratory is now trying to improve pasteurization methods and develop more rapidly dispersible egg products. *(37)*

Oilseed Meal Exports Are Record During First Half of 1962-63

Despite the month-long dock strike in January, a record 869,000 tons of oilseed meals were exported during the first six months of the 1962-63 marketing year. Total exports were 50 per cent more than in the same months of 1961-62.

Soybean meal accounted for 89 per cent of the total exports of oilseed meal during October-March, compared with 98 per cent in 1961-62. Shipments of soybean meal totaled 773,942 tons, with Canada and the Netherlands taking the largest quantities. The Common Market countries imported 54 per cent of total U.S. soybean meal exports during October-March.

Cottonseed meal exports thus far in the current marketing year have been much larger than they were last year. Exports during the first six months of 1962-63 totaled nearly 62,000 tons, compared with less than 3,000 a year earlier. Denmark was the largest purchaser. The United Kingdom bought the most U.S. cottonseed meal during the same period last year. *(38)*

TASTE TESTS RATE FREEZE-DRIED FOODS

Tried any of the new freeze-dried foods yet?

Freeze-drying is a relatively new method of processing food where the product is frozen before nearly all the moisture is removed in the form of ice crystals. After the process is completed, the dried product weighs as little as a tenth of the original food, contains only 2 per cent moisture and can be stored at room temperature.

USDA specialists recently ran taste tests on a variety of freeze-dried foods already on the market. Five persons on a panel judged the quality of 28 different products.

These dishes were prepared according to the manufacturer's instructions and sampled three different times. At the same time, a comparable processed product also was tried. Both groups of foods were rated on appearance, flavor, juiciness, texture, tenderness and general acceptability.

After rating the foods, the panel decided three products were definitely better than their canned or frozen counterparts, 15 were equal and 10 were poorer. Beef noodle soup, chicken noodle soup and shrimp creole were the items judged superior to the comparison dishes.

Here's how the products came out by groups:

Beef: diced beef, steaks, sliced beef and gravy, swiss steak and stew—in general, the freeze-dried beef was considered somewhat inferior to its counterpart product.

Chicken: diced chicken (two brands), chicken salad, creamed chicken, chicken stew and a chicken rice combination—scores for the freeze-dried foods were slightly lower than those of the canned or frozen chicken.

Seafoods: shrimp, shrimp salad, creamed shrimp, shrimp creole, crabmeat and crab salad—as a group, these ranked about the same as the frozen products. The only low scores were for flavor which was criticized as "fishy."

Soups: two brands of chicken noodle, beef noodle, two brands of mushroom and chicken rice—the judges thought the freeze-dried items were as good or better than the canned soups with which they were compared.

Combination dishes: peas from a prepared dinner, chili with beans, eggs and sausage from a packaged breakfast and diced ham—with the exception of the peas, foods in this group received good ratings. All of these products were made especially for campers.

Researchers found that freeze-dried foods generally got higher scores when used in prepared dishes. Although none of the individual products was extremely poor in taste, as a group the 28 freeze-dried items didn't equal the comparison foods.

However, products with low ratings are still possibilities for specialized uses. *(39)*

RESULTS OF COMPARISON TESTS

Product	Score: Superior	Score: Acceptable	Score: Inferior	Comparison product
Meats:				
Diced beef			×	Frozen
Beef steaks			×	Frozen
Sliced beef & gravy			×	Frozen
Swiss steak		×		Frozen
Beef stew		×		Canned
Diced chicken, A			×	Canned
" " B			×	Canned
Chicken salad			×	Canned
Creamed chicken		×		Canned
Chicken stew			×	Canned
Chicken rice			×	Canned
Seafood:				
Shrimp		×		Frozen
Shrimp salad		×		Frozen
Creamed shrimp		×		Frozen
Shrimp creole	×			Frozen
Crabmeat		×		Frozen
Crab salad		×		Frozen
Soups:				
Beef noodle	×			Canned
Mushroom, A		×		Canned
" B			×	Canned
Chicken noodle, A	×			Canned
" " B		×		Canned
Chicken rice		×		Canned
Miscellaneous:				
Scrambled eggs		×		Fresh
Sausage		×		Frozen
Diced ham		×		Canned
Peas			×	Canned
Chili with beans		×		Canned

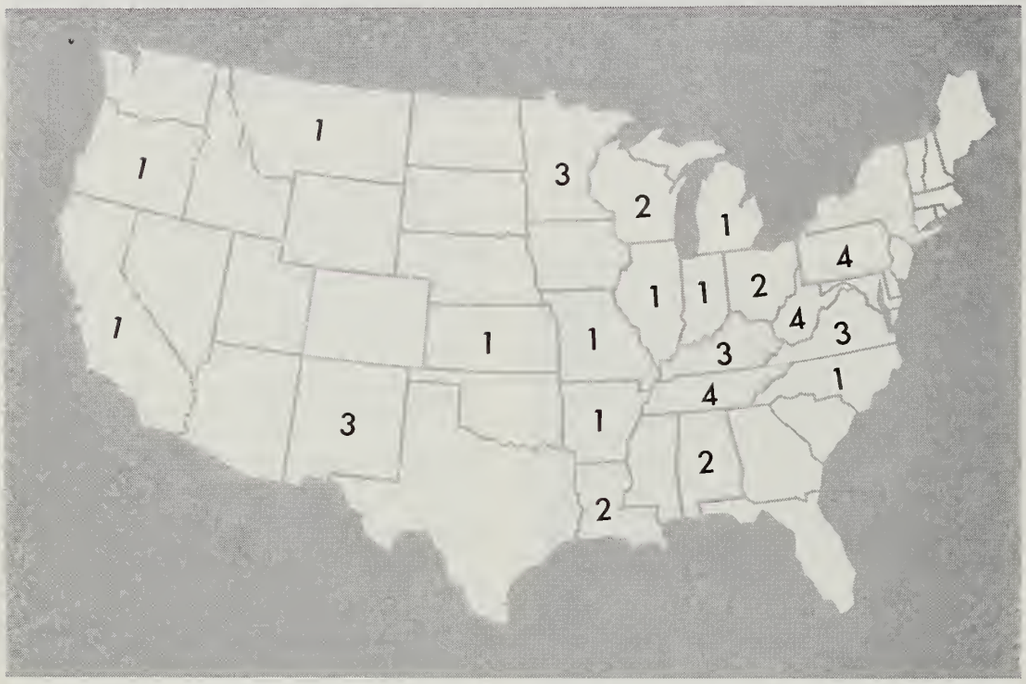
Comparison product was:

Fresh

Frozen

Canned

SERVING A CROSS-SECTION OF AMERICA: The Food Stamp Program as of late June was scheduled to reach 445,000 needy people in 21 states. Starting in eight pilot areas in mid-1961, the Program has grown to include 39 counties and three major cities. Currently the average family pays about 63 cents to get $1.00 in food coupons. The food coupons are then exchanged in authorized local stores for foods of the homemaker's choice. Studies show that families use their coupons to buy more meat, poultry, fruits and vegetables. As a result, the number of needy families whose diets meet recommended nutritional standards has gone up substantially since the program started. (40)



Alabama
- Jefferson County
- Walker County

Arkansas
- Independence County

California
- Humboldt County

Illinois
- Franklin County

Indiana
- Vanderburgh County

Kansas
- Rice County

Kentucky
- Floyd County
- Knott County
- Perry County

Louisiana
- Avoyelles Parish
- Evangeline Parish

Michigan
- City of Detroit

Minnesota
- Carlton County
- Itasca County
- St. Louis County

Missouri
- City of St. Louis

Montana
- Silver Bow County

New Mexico
- Mora County
- San Miguel County
- Santa Fe County

North Carolina
- Nash County

Ohio
- Cuyahoga County
- Lucas County

Oregon
- Multnomah County

Pennsylvania
- Cambria County
- City of Pittsburgh
- Fayette County
- Luzerne County

Tennessee
- Grundy County
- Hamilton County
- Marion County
- Sequatchie County

Virginia
- Dickenson County
- Lee County
- Wise County

West Virginia
- Logan County
- McDowell County
- Mingo County
- Wayne County

Wisconsin
- Douglas County
- Iron County

U.S. DEPARTMENT OF AGRICULTURE

NEG. ERS 2040-63(5)

Most Large Families in 1955 Survey Lacked Some Food Nutrient in Diet

In 1955 the Department of Agriculture ran a food consumption survey of some 6,000 urban and rural households in all parts of the country.

So many facts and figures were assembled that some phases of the study are still being published.

The newest report deals with how much large families spend for food compared with small families and what kinds of food the two groups buy. Since food consumption patterns change slowly, what was true in 1955 is still pretty much true today.

Here are a few highlights from the report:

—As expected, large families spend more on food than small families regardless of income or the section of the country in which they live. But large families spend less and eat less per person, mostly because there are usually several small children who don't eat as much as adults, and because income per person is usually smaller in large families.

—Small families eat out more, in restaurants and other public places, than large families. A two person household spends 24 per cent of its food dollars on meals away from home. Families of six or more spend only 12 per cent.

—In large families more food dollars go for milk, grain products, fats and oils, potatoes, sugar and sweets. Small families buy more high protein foods, such as meat, poultry, fish and eggs, as well as fresh vegetables and fruits.

—Diet deficiencies are more apt to turn up in large families. The survey shows only 34 per cent of families with six or more members get enough of all eight basic nutrients recommended by the National Research Council.

In contrast, 55 to 60 per cent of families with two to four members have balanced diets according to the Council's standards. *(41)*

RECENT PUBLICATIONS

The following publications are issued by the Economic Research Service and cooperatively by the state universities and colleges. Unless otherwise noted, reports listed here and under Sources *are published by ERS. Single copies are available free from the Division of Information, OMS, U.S. Department of Agriculture, Washington 25, D.C. State publications may be obtained from the issuing agencies of the respective states.*

TOMATO PRICES AND MARKET STRUCTURE IN THE LOWER RIO GRANDE VALLEY OF TEXAS. Joseph C. Podany and Raymond O.P. Farrish, Marketing Economics Division. Marketing Research Report No. 588.

This study evaluates market performance, in terms of pricing efficiency, for the tomato market in the Lower Rio Grande Valley in 1961. Market performance is appraised with reference to the structure of the market. An important aspect of market structure is the freedom of entry and exit of firms. An important aspect of market performance is the relation of f.o.b. and grower prices. When blend f.o.b. prices were compared with grower prices, the two series moved closely together over most of the season. In the latter part of the season, however, margins became wider and more variable.

NOTES ON THE AGRICULTURAL ECONOMIES OF THE FAR EAST—II. SOUTH ASIA. (Originally issued June 1960, as FAS-M-85 by the Foreign Agricultural Service, is now reissued without change in text by ERS.) ERS-Foreign-48.

This report deals with the agricultural economies of five countries in South Asia—Afghanistan, Ceylon, India, Nepal and Pakistan. Text and tables are on the following: Population, economic setting, physical characteristics, agricultural production, agricultural trade, food consumption and political setting.

AGRICULTURE AND ECONOMIC GROWTH. A report by a study group of the Economic Research Service. AER-28.

Discussions of economic policy —whether by legislators, administrators, businessmen, or economists—tend to focus on some central problem of critical importance to the nation as a whole. Currently, the focus is on economic growth. The report describes seven major contributions of American agriculture to economic growth. They are: The release of workers to industry; lowering of food costs relative to income; an expanding market for industrial goods; large earnings from exports of farm products; sustained output during economic depressions; the meeting of wartime demands for food and fiber; and assistance to economic development of other countries.

HOW TO USE FARM INCOME STATISTICS. Misc. Publ. No. 920.

Information in this publication includes descriptions of USDA's major series of statistics on farm income, and tells how the series relate to each other and how each should be used. In general, USDA's series of statistics on farm income cover one of two broad classifications of income: Income from farming, and personal income of the farm population from all sources. A common cause of error in using USDA figures arises from the fact that any farm income figure may be vaguely reported as "farm income," whether it is gross, net or cash receipts. Yet there may be billions of dollars worth of difference in these figures.

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INCREASING BROILER SALES THROUGH OFFERING AN ADDITIONAL CUT AND RECIPE MATERIALS (A PRELIMINARY REPORT). Sidney E. Brown, Marketing Economics Division. ERS-127.

Changes in retail merchandising practices for broilers—primarily the accelerated trend toward selling selected parts—has resulted in problems in selling backs, necks, and sometimes wings. Some retailers are merchandising broiler quarters to sell backs and wings. This is a cut obtained by splitting the bird down the back and leaving a portion of the back on the leg and breast quarters. The sales effectiveness of broiler quarter cuts is evaluated in this study. Total broiler sales in retail food stores increased an average of 16 per cent when the quarter cut was added to broiler displays. Adding recipe labels did not affect sales.

Agricultural Statistics, 1962

USDA's annual statistical yearbook is now available for 1962. This year's book, the 27th in the annual series, provides a more complete reference than any other recent issue, with some tables dating back to 1866. Many series have been revised by the 1959 census of agriculture.

Subjects covered include statistics on agricultural production, prices, supplies, costs, income, land use, farm ownership, farmworkers, food consumption and related subjects. There are also statistics on weather, freight rates, refrigerated warehouse storage, fisheries, forestry, world crops and foreign trade in agricultural products.

"Agricultural Statistics, 1962," is available for $2.00 from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

SWEETENERS USED BY THE BEVERAGE INDUSTRY—THEIR COMPETITIVE POSITION IN THE UNITED STATES. Roy A. Ballinger and L. C. Larkin, Marketing Economics Division. AER-31.

The beverage industry is the largest user of sugar of any industrial group in the United States. In 1961 about one-fourth of the sugar delivered to all industrial users went to beverage producers. This was equal to 13.5 per cent of total consumption of sugar in the United States. The specific purposes of the report are (1) to determine trends in the quantity of each type of sweetener used, (2) to provide information which may be useful to sweetener producers on the problems and practices of various segments of the industry, and, (3) to analyze the competition among producers of different sweeteners in selling their products to the beverage industry.